



**North Carolina Department of Health and Human Services
Division of Mental Health, Developmental Disabilities and Substance Abuse Services**

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February 10, 2009

Memorandum

To: Directly Enrolled Medicaid and CAP-MR/DD Service Providers

From: Sandee Resnick, Acting Accountability Team Leader
DMH/DD/SAS, Resource & Regulatory Management Section

Subject: 2009 Spring Audit of Medicaid and CAP-MR/DD Medicaid Waiver Services

Between March 10, 2009 and May 8, 2009 the NC Department of Health and Human services will conduct Medicaid audits of directly enrolled Medicaid and CAP-MR/DD service providers. The list of providers to be audited includes only the week during which each provider's audit will occur, as well as the audit site. This list is available on the website indicated below. **Each provider's individual audit appointment will be distributed at least one week prior to the appointment date.**

Please keep this letter throughout the audit process for reference purposes.

**Note: All documents required for preparation for this audit event
are posted on the DMH/DD/SAS website:**

<http://www.ncdhhs.gov/mhddsas/audits/index.htm>



Audit Process and Components:

- A listing of the directly enrolled Medicaid and CAP-MR/DD providers to be audited and the audit site information is available on the website identified above. **For specific information on audit tools and instructions, please download the following information from our website:**
 - ✓ **Medicaid and CAP-MR/DD Audit Tools.** These tools will determine Medicaid compliance related to a specific date of service and to the staff who provided the service on each date.
 - ✓ **Diagnostic Assessment Audit Tool.** This tool will determine Medicaid compliance in areas related to required elements of the service definition and to the staff who completed the assessment.
 - ✓ Medicaid, Diagnostic Assessment and CAP-MR/DD Auditor Instructions
 - ✓ Staff Qualifications Checklist
 - ✓ **2009 Medicaid and CAP-MR/DD Provider Audit List** by week and audit site
 - ✓ **2009 Medicaid and CAP-MR/DD Provider Audit List** by agency name
 - ✓ Directions to each audit site.
- **The following information will be sent via UPS at least one (1) week prior to each scheduled audit week:**
 - ✓ Individual audit appointments (date and time)
 - ✓ List of service records to be audited (this list will *not* be posted on the web). The list will include names, birth dates and Medicaid numbers. If an individual's name is listed more than once, it means that more than one date of service was randomly chosen for audit from that person's record.
- All events for the Medicaid audits (including Diagnostic Assessment) will be drawn from paid claims. **These paid claims dates include services provided on any date between October 1, 2008 and December 31, 2008. Therefore, service records brought to the audit site must include required documentation from October 1, 2008 through December 31, 2008.**
- All events for the CAP-MR/DD audits will be drawn from paid claims. **These paid claims dates include services provided on any date between November 1, 2008 and January 31, 2009. Therefore, service records brought to the audit site must include required documentation from November 1, 2008 through January 31, 2009.**
- **Specific services included in the audit are:**

MEDICAID	
H0010 DETOX-Non-Hosp	H2011 Crisis Intervention/Mobile
H0015 SA-IOP	H2012HA Day Treatment Child
H0020 Methadone Administration	H2015HT Community Support Team
H0035 Partial Hospitalization	H20017 Psychosocial Rehabilitation
H0036HA Community Support- Child	H2022 Intensive In-Home
H0036HB Community Support- Adult	H2033 Multi-Systemic Therapy
H0036HQ Community Support – Group	H2035 SA-COT
H0040 ACTT	S9484 Facility Based Crisis
H2011 Crisis Intervention/Mobile	T1023 Diagnostic Assessment
	H2011 Crisis Intervention/Mobile
CAP-MR/DD	
Home and Community Supports	Long Term Vocational Supports
Day Supports	Respite Services
Crisis Services	Residential Supports
Personal Care Services	



- The Medicaid and CAP-MR/DD audit samples will consist of up to fifteen (15) primary and five (5) backup service dates randomly selected per provider. A total of twenty (20) events will be identified for possible use in each audit.
- If a service event which is included in the audit sample was repaid to Medicaid prior to the provider's receipt of the list of records to be audited, that event will be omitted and the next numbered event from the back-up list will be substituted. Evidence of the repayment will need to be available during the audit.
- On the date of the audit, service records must be present at the audit site indicated on the audit schedule. All individual agencies are responsible for maintaining or arranging the security of their records.
- Each Medicaid/CAP-MR/DD provider must have staff persons who are familiar with agency records available at the audit site.
- Once each providers audit is complete and auditors have left the site, **no additional documentation will be accepted.**
- Service documentation needed for the audit **must be indicative of what was current and in place for all possible dates of service from:**
 - For CAP-MR/DD – November 1, 2008 through – January 31, 2009, inclusive.**
 - For Medicaid – October 1, 2008 – December 31, 2008, inclusive.**
- Documentation required on-site for Diagnostic Assessment services only includes:
 - ✓ Individual's record including service notes, diagnostic assessment.
 - ✓ **Staff training / qualifications** in place for all possible dates of service, per the Qualifications Checklist posted on the web. This may include evidence of training that was current at the time the service was provided but may not be current at the time of the audit.
 - ✓ Evidence that the Medicaid provider agency required **disclosure of any criminal conviction** by the staff person(s) who provided the service.
 - ✓ **Health Care Personnel Registry checks** current for all possible dates of service.
 - ✓ **Policy and Procedure Manual** including policies in effect for all possible dates of service.
- Documentation required on-site for all other services includes:
 - ✓ **Service Authorizations** for all possible dates of service.
 - ✓ **Service Orders** for all possible dates of service.
 - ✓ **Person Centered Plans** current for all possible dates of service. (Note: this could be a PCP that is prior to the current one, i.e., is not in effect now, but was at the time of the service date being reviewed.)
 - ✓ **Service Documentation** for all possible dates of service.
 - ✓ **Staff training / qualifications** in place for all possible dates of service, per the Qualifications Checklist posted on the web. This may include evidence of training that was current at the time the service was provided but may not be current at the time of the audit.
 - ✓ **Staff supervision plans and evidence of the supervision taking place** for Para-professionals and Associate Professionals providing services between **the dates noted above.**
 - ✓ Evidence that the Medicaid provider agency required **disclosure of any criminal conviction** by the staff person(s) who provided the service.
 - ✓ Evidence that the CAP-MR/DD provider agency conducted a **criminal background check** of staff person(s) providing services.
 - ✓ **Health Care Personnel Registry checks** current for all possible dates of service.



- ✓ **Policy and Procedure Manual** including policies in effect for all possible dates of service.
- ✓ **Legal documents related to guardianship and/or the legally responsible person** when applicable, i.e., in instances where the natural parent is not the guardian of a child, or when an adult has been adjudicated incompetent.

Please have all items available for review at the audit site.

Additional Information from the Division of Medical Assistance (DMA):

- Once the Medicaid/CAP-MR/DD audit is complete, no additional documentation will be accepted for review.
- This is a targeted audit on a limited sample of issues identified on the Medicaid audit tools. This audit does not represent all the items or issues that may be reviewed by DMA or other entities such as the NC Attorney General's office as allowed by applicable policies, State and Federal Regulations.
- DMA Program Integrity has the authority and responsibility to expand the scope of this audit as necessary to encompass all applicable recoupment or other sanctions.

Audit Completion:

- At the completion of the record review, the audit team will leave copies of the completed Medicaid audit tools which will include those events found out of compliance. This transaction acts as informal notification of events found out of compliance. Please note that there may be revisions to the on-site findings when the audit tools are reviewed later by an audit team leader.
- **Requests for reconsideration of Medicaid audit findings are directed to the Division of Medical Assistance (DMA).** Information on the DMA process and timelines for submitting such requests will be included in the DMA letters received in conjunction with the formal Summary of Findings report.
- **Out of compliance findings that represent a systemic issue may require that a Plan of Correction (POC) be submitted to the Division of MH/DD/SAS.** Information on the DMH/DD/SAS process and timelines for submitting POCs will be included in each agency's formal Summary of Findings report.

Contacting Us

- If you have not already provided information via a phone call from a member of the Compliance Unit of the MH/DD/SA Accountability Team regarding the contact person for future communication about the logistics of the audit process, please provide us with that information by February 17, 2009 by contacting Belinda Beardsley at: Belinda.Beardsley@ncmail.net, (919) 881-2446 or (919) 508-0968 (FAX).
- If you have questions concerning the information in this memorandum, or anything else related to the upcoming 2009 audit event, please contact one of the following people:

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We look forward to a successful audit.

cc: Catharine Goldsmith
Clarence Ervin
DMH/DD/SAS Executive Leadership Team (ELT)

